

people dug was to let them get extra pay for wielding the shovel. I believe there could have been other people hired. My colleague, Mr. CAPUANO, did some good questioning in this. We were told AIG felt, no, they had to pay the bonus. I think that is a very grave error.

My own preference is, and I have urged this on the administration, my preference is that they bring a lawsuit on behalf of the U.S. as the major shareholder so that we can recover here; that is, it is not a case of us as a regulator intruding on a contract by others. This is a case where we are the major owners of this company. And I believe that it is a grave error to enrich people who have apparently threatened to leave the company, abandon it and not help them get out of the problems they created unless they are given these bribes called "retention bonuses." We have a resolution here which talks about several things.

First, it does express our determination to prevent these from happening in the future. We have already done some of that. We should note, this provision here, this decision was made unilaterally by the Federal Reserve system under a 1932 statute. There was no congressional input whatsoever into the decision last September to do this. The Secretary of the Treasury, Mr. Paulson, accompanied me, the chairman of the Federal Reserve, Mr. Bernanke, and they came to Congress, and they said that Mr. Bernanke had decided to give a loan of \$85 billion to this company. No restrictions were put on the company. Two days later, the same two gentlemen asked us to enact legislation providing for \$700 billion in authority.

At that point, we said, among other things, there has to be some restrictions on the compensation paid. Now we didn't get all the restrictions we wanted because we were in the negotiation process. But it was instructive that when the Fed did it on its own with the Secretary of the Treasury's support, there were no restrictions on compensation. Two days later, we immediately raised that, had a debate and got some of them. Now, we have gone further.

I would make this contrast. We have AIG without any restrictions. Under the TARP program, which Congress voted and which is now being administered by the current administration, we have not only imposed restrictions, we are now being criticized in the press and by some of the recipients for being too tough on them. In the New York Times last week, there was a front page article that said the banks are going to have to give the money back because we are too tough on compensation, lavish entertaining and too much pressure to make loans. There was an article in the Washington Post business section 3 days ago making the same point. I welcome that kind of criticism. I welcome the recognition that we have now become very tough.

The problem is that these bonuses were granted under an authority that the Federal Reserve gave before Congress got into the situation and were able to put on the restrictions. This resolution is a beginning of what we will be doing.

There is also, I hope, going to be a lawsuit. I have been pressing the administration for a shareholders' lawsuit to recover the bonuses that have already been paid. And there will be other legislative vehicles. I hope that the Committee on Financial Services will mark up a bill next week which will embody much of what is in this resolution. We will have a markup in committee. I hope we will be able to bring a bill to the floor that will deal with this both prospectively and retroactively. At this point, this is a statement of intention which I think is appropriate because people in this country want to know what we are doing. It will be followed up by a markup in committee.

We have had several hearings on the subject of compensation and a big one on AIG, obviously, yesterday. And we will have another AIG hearing next week with the Secretary of the Treasury and the Chairman of the Federal Reserve. But we will be marking up legislation next week in committee and voting on it the final week before the recess so that what we state here as our intention I hope will become law.

I reserve the balance of my time.

Mr. GARRETT of New Jersey. I thank the Chair. At this time, I yield 4 minutes to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Speaker, I rise in strong opposition to this resolution. Like the American people, I'm extremely disappointed by the recent news that AIG paid millions of dollars in money bonuses after it received a massive government bailout. We all agree that the decisions that led to the collapse of AIG and the payment of large bonuses to some of the same executives who caused the collapse are indefensible.

However, the legislation we vote on today arrives at conclusions based not on facts, but rather, is focused on delivering political cover to my Democratic friends and colleagues. The bill reads, "It is the sense of the Congress that the President is appropriately exercising all of the authorities granted by Congress."

How can we come here today after all we and the American people have learned this week and say that everything the President has done is appropriate? The American people recognize the absurdity of such a statement, and so should we. In reality, there is not a single Member of Congress who can say with certainty that the President has done everything in his power in connection with these bonuses.

For instance, just today, Bloomberg quotes the Senate Banking Committee Chairman CHRIS DODD as saying that the Obama administration asked him

to insert a provision in last month's \$787 billion economic stimulus legislation that had the effect of authorizing AIG's bonuses. If that is correct, do you really want to vote to say that what the President did in enabling these bonuses was appropriate? I think not.

We are here today because the majority is trying to paper over its mistake. And now, they are asking us to compound that mistake by endorsing everything the President had done in connection with these million-dollar bonuses. It was a mistake not to read the stimulus package before you voted on it. You didn't read it. You didn't understand it. It had this provision in it. How could we, in good conscience, support legislation lauding the President's actions in allowing these bonus payments if it was that same administration that worked to enact legislation that now prevents us from recouping this \$160 million dollars?

Such a vote would be a vote of confidence for an administration whose actions in handling the AIG matter have not earned the confidence of the American people.

Make no mistake, today's vote is not an effort to ensure oversight nor an effort to hold people responsible for their actions. Today's vote, instead, I conclude by saying, is a thinly veiled political ploy by the Democratic majority to deflect responsibility. That is wrong. The American people know it. Working families deserve better. They deserve an exit strategy from this continued cycle of government bailouts. And they deserve to be repaid 100 percent. They don't deserve a cover-up.

Mr. FRANK of Massachusetts. I yield myself such time as I may consume to say I learn a lot in this job. Now, I have learned about a theory called creationism which in some cases holds that the world was created 4,000 years ago or 7,000 years ago by calculating what the Bible said. But I now am astounded to see a new and more compressed theory of when the world was created. It apparently was created at noon on January 20, 2009.

You just heard someone say, "it is Obama's fault." In September of 2008—and I regret that we are getting into this kind of political discussion—but the gentleman from Alabama raised it. In September of 2008, two appointees of George Bush came to the Congress and said, Mr. Bernanke, the Chairman of the Federal Reserve, who had previously been on the Bush economic advisory staff, and Mr. Paulson, the Secretary of the Treasury, and they said, "we are going to lend \$85 billion through the Federal Reserve to AIG." They didn't ask us.

Mr. BACHUS. Will the gentleman yield?

Mr. FRANK of Massachusetts. Yes.

Mr. BACHUS. The economic stimulus package—

Mr. FRANK of Massachusetts. No, I'm sorry. I will yield to talk about what I am talking about. I take back my time.

Then in 2007 the gentleman from Alabama, the gentleman from New Jersey, and the others, they all opposed say-on-pay. The gentleman from Alabama told us in 2007 that the free enterprise system was taking care of pay excess. He said that in March of 2007. All of the problems that we've had with pay in the interim apparently were figments of our imagination. The gentleman from Alabama had such confidence in the free enterprise system 2½ years ago, he told us they weren't going to happen. And say-on-pay now, oh, it's not a big deal. It was a big enough deal for them to oppose it.

By the way, let me say to the gentleman from New Jersey, here's the problem: No, it's not so much conscious acts of deregulation as nonregulation. What happened was new things grew up in the economy, particularly in the area of subprime mortgage and the way of packaging them and sending them around. And some of us in the minority wanted to change it. There were party differences.

In 2004 my friend from North Carolina (Mr. MILLER) who was here earlier, he spoke with people at the Center For Responsible Lending in North Carolina who told us in 2004 trouble was coming. By the way, trouble was coming because of an excessive encouragement of low-income people to buy homes, not from the CRA and not from liberal Democrats, but from the Bush administration. The gentleman from Texas (Mr. HENSARLING) inserted an amendment which we adopted. In 2002 the Bush administration sped this up. In 2004, over my objection among others, the Bush Administration directed Fannie Mae and Freddie Mac to substantially increase the number of subprime mortgages they were buying and for people below income. That's in the amendment that Mr. HENSARLING offered that we adopted.

And some of us saw the problem at that point. I hadn't seen a problem with Fannie Mae and Freddie Mac before, but I did in 2004 become worried. I joined the gentleman Mr. Oxley in trying to pass a bill, although I had a housing problem on the floor. The gentleman from Alabama voted with Mr. Oxley and many others did. Other Republicans thought Mr. Oxley was too soft, and we then got into an intra-Republican dispute on Fannie Mae and Freddie Mac where the House passed the bill, the House under the Republicans, supported by the overwhelming majority of Republicans, every amendment offering to toughen it up rejected by an overwhelming majority of Republicans.

And the Republican Senate had a difference. Ironically, the Democrats in the Senate agreed with Mr. Oxley. The Republicans in the Senate agreed with Mr. Bush. No bill.

We also tried, as I said, to do something about subprime lending. The gentleman from North Carolina pushed for legislation. The gentleman from Alabama, to his credit, was somewhat in-

terested in working with us on it. But the Republicans were overruled by the then-majority leader, Mr. DeLay, who used the rhetoric we're hearing today: keep the bureaucrats out of it and let the free enterprise system do it. That was the prevailing philosophy of the Republicans who ruled this House in 2004 and 2005.

So when some of us, including the gentleman from Alabama (Mr. BACHUS), tried to work on legislation to restrict subprime lending, Mr. BACHUS was even chairman of the subcommittee, and he was overruled. The chairman of the committee, Mr. Oxley, was told, No, we don't do that. We're Republicans. We believe in free enterprise.

So it was a conscious decision not to do anything about—

Mr. LEWIS of California. Will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from California.

Mr. LEWIS of California. I wish the gentleman would start over. I'm finding it difficult to understand your very rapid speech. Will you slow down a little bit?

Mr. FRANK of Massachusetts. No. I tell you, to the gentleman from California, he's going to have to speed up. I'm not going to slow down. But if he waits a couple of days, there's a very competent transcriber here. He'll be able to read it, and maybe we can even get it put into large type for the gentleman from California.

And now, the gentleman's having tried to interrupt me because that's what people do when they don't like what you're saying, I will return to the tale of how the Republicans told us not to do subprime lending. And we had legislation working. If we had been able in 2005 to get that legislation done, we could have retarded the depths of the crisis. So, yes, there were regulators who didn't do their job, but there were conscious decisions not to regulate.

There was a bill passed, by the way, in 1994 by a Democratic Congress, replaced in 1995 by a Republican Congress, which gave the Federal Reserve the authority to regulate mortgages of the kind that caused trouble. Alan Greenspan, supported by the Republicans in Congress, refused to use that authority. It was when he continued to refuse that some of us tried to do something. So, yes, that's where we got this, because a Republican commitment to never doing anything of the sort that they are talking about now that let subprime mortgages flourish.

The SPEAKER pro tempore. All time has expired.

Pursuant to House Resolution 697, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute printed in House Report 111-237 offered by the gentleman from New Jersey (Mr. GARRETT).

The question is on the amendment offered by the gentleman from New Jersey (Mr. GARRETT).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. GARRETT of New Jersey. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to House Resolution 697, further proceedings on this question will be postponed.

Pursuant to clause 1(c) of rule XIX, further proceedings on the bill will be postponed.

□ 1200

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FRANK of Massachusetts. Is there some way that I can convey to the membership that this incredible intrusion on their time is in no way the responsibility of the Financial Services Committee, that we are ready to go to a vote and we are as much the victim as anybody else of this—whatever it is?

The SPEAKER pro tempore. The gentleman may seek time to address the body.

Mr. FRANK of Massachusetts. Well, I don't want to inflict further excess on the body.

SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 2009

Mr. PERLMUTTER. Mr. Speaker, I ask unanimous consent that the Speaker be authorized on this legislative day to entertain a motion to suspend the rules relating to H.R. 3435.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. OBEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3435) making supplemental appropriations for fiscal year 2009 for the Consumer Assistance to Recycle and Save Program.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2009, and for other purposes, namely:

DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY
ADMINISTRATION
CONSUMER ASSISTANCE TO RECYCLE AND SAVE
PROGRAM
(TRANSFER OF FUNDS)

For an additional amount for "Consumer Assistance to Recycle and Save Program" to carry out the Consumer Assistance to Recycle and Save Program established by the Consumer Assistance to Recycle and Save